

Tenth Avenue Petroleum Announces First Quarter 2022 Financial & Operating Results

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CALAGARY, May 30, 2022 - [Tenth Avenue Petroleum Corp.](#) ("TPC" or the "Company") (TSXV:TPC) is pleased to announce its financial and operating results for the three months ended March 31, 2022. The associated management's discussion and analysis ("MD&A") and unaudited interim statements as at and for the three months ended March 31, 2022 can be found at www.sedar.com and www.tenthavenuepetroleum.com

The Company's key achievements in the first quarter of 2022 included the following:

- Q1/22 production averaged 88 boe/d (92% Oil and Liquids), a 100% increase from the 44 boe/d average in Q4/21.
- Q1/22 production exited at 135 boe/d, with Murray Lake and Hays averaging 89 boe/d and achieved an operating netback of \$91.79/boe in March 2022. Annualized net operating income from March 2022, from these assets is approximately \$2.9 million.
- Closed an oversubscribed non-brokered private placement of \$3,116,250.
- Completed an asset acquisition of 76 boe/d (97% Oil & NGLs) with on effective date of March 1, 2022, of high quality, high netback, low decline oil assets in the Murray Lake and Hays area of Southern Alberta.
- Achieved gross revenue of \$739,018 for the first quarter, an increase of 179% from the previous quarter.
- Achieved an average operating field netback of \$26.65 \$/boe for the first quarter.
- Adjusted funds flow of \$293,613 for the first quarter.
- Exited the first quarter with working capital surplus of approximately \$546,800.

First quarter information highlights, included the following:

Selected Quarterly Information

	March 31, 2022	Dec 31, 2021	Sept 30, 2021	June 30, 2021
Sales volumes				
Natural Gas (mcf/d)	73	17	-	-
Oil and NGL (bbls/d)	82	41	-	-
Average boe/d (6:1)	88	44	-	-
Product prices				
Natural gas (\$/mcf)	6.65	5.18	-	-

Oil and NGL (\$/bbl)	95.61	90.37	-	-
Oil equivalent (\$/boe) (\$)	91.61	86.80	-	-
Financial results				
Gross Revenues	739,018	390,188	-	-
Cash provided by operating activities	(87,442)	3,364	-	-
Adjusted funds flow (2)	293,619	-	-	-
Per share - basic	- 0.01	-	-	-
Per share - diluted	- 0.01	-	-	-
Net income (loss)	(72,706)	(98,556)	526,629	(1,138)
Per share - basic	(0.00)	(0.00)	5,266.29	(11.38)
Per share - diluted	(0.00)	(0.00)	5,266.29	(11.38)
Capital expenditures	3,556	26,862	-	-
Acquisitions (1)	2,738,661	-	1,734,451	-
Dispositions (1)	-	-	-	-
Total assets	9,187,954	1,868,500	1,774,451	40,000
Working Capital Surplus (2)	546,800	23,195	5,494	6,832
Decommissioning obligations	2,634,667	992,636	917,620	-

Notes:

1. Includes cash and non-cash consideration.
2. Capital Management Measure; See "Non-IFRS Financial Measures, Non-IFRS Financial Ratios and Capital Management Measures" Section of the Q1/22 MD&A

Since reorganizing the business on December 16, 2021, management and the board has executed several key objectives, including raising new capital to finance our initial growth strategy, completed a transformative oil weighted acquisition and implemented the waterflood enhancement strategy at Murray Lake under budget and ahead of schedule.

The Company is executing on both its short-term and long-term objectives of delivering discipline and accretive per share growth while displaying the resilience of flexibility of the Company's business strategy and growing its asset base.

OPERATIONAL UPDATE

The Company's production base continues to grow at Murray Lake as a result of the EOR program that is showing very positive early results. The Mannville "A" Sunburst pool is estimated to have upwards of ~8.9 MMboe OOIP, with approximately 7.5% recovered to date. There are analog pools that have up to a 20% recovery factor. The Murray Lake EOR plan could result in a higher oil production which could exhibit low decline, low maintenance capital cost, which would in-turn drive free cash flow and superior capital returns.

CAPITAL PROGRAM

Throughout the first quarter and the month of April the Company completed the facility upgrades at Murray Lake 7-36-9-8W4M facility, including capacity expansion of the existing infrastructure, for a total capital spend of under \$300,000.

OUTLOOK

The Company is well positioned with exit Q1/22 production at 135 boe/d, working capital surplus of over \$500,000, \$17 million of tax losses, net operating income of approx. \$250,000 per month (at current strip prices) and additional production upside on the Murray Lake asset. The Company maintains a long-term focus on increasing production and free cash flow on a per share basis. The Company plans on taking advantage of opportunities to enhance growth, sustainability and repeatability of the Company's business model focusing in Central and Southern Alberta.

The Company will continue to assess the free cash flow profile given the increase in asset performance paired with commodity prices increases, while balancing our capital program, future land acquisitions and production acquisitions opportunities.

An updated corporate presentation can be found at www.tenthavenuepetroleum.com

For further information:

Cameron MacDonald, President & CEO
[Tenth Avenue Petroleum Corp.](http://www.tenthavenuepetroleum.com)
Phone: (403) 585-9875
Email: cmacdonald@tenthavenuepetroleum.com
Website: www.tenthavenuepetroleum.com

About Tenth Avenue Petroleum Corp.

[Tenth Avenue Petroleum Corp.](http://www.tenthavenuepetroleum.com) is a junior oil and gas exploration and production company with operations in Alberta.

Forward-looking Information and Statements

The information in this news release contains certain forward-looking statements. These statements relate to future events or our future performance. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "approximate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe", "would" and similar expressions. These statements involve substantial known and unknown risks and uncertainties, certain of which are beyond the Company's control, including: the impact of the COVID-19 pandemic on the Company's business and operations (and the duration of the impacts thereof); the inability of the Company to meet its commitments on its lands or on the lands it may acquire, the impact of general economic conditions; industry conditions; changes in laws and regulations including the adoption of new environmental laws and regulations and changes in how they are interpreted and enforced; fluctuations in commodity prices and foreign exchange and interest rates; stock market volatility and market valuations; volatility in market prices for oil and natural gas; liabilities inherent in oil and natural gas operations; uncertainties associated with estimating oil and natural gas reserves, changes in income tax laws or changes in tax laws and incentive programs relating to the oil and gas industry; geological, technical, drilling and processing problems and other difficulties in producing petroleum reserves; and obtaining required approvals of regulatory authorities. The Company's actual results, performance or achievement could differ materially from those expressed in, or implied by, such forward-looking statements and, accordingly, no assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur or, if any of them do, what benefits the Company will derive from them. These statements are subject to certain risks and uncertainties and may be based on assumptions that could cause actual results to differ materially from those anticipated or implied in the forward-looking statements. The forward-looking statements in this news release are expressly qualified in their entirety by this cautionary statement. Except as required by law, the Company undertakes no obligation to publicly update or revise any forward-looking statements. Investors are encouraged to review and consider the additional risk factors set forth in the Company's continuous disclosure documents which are available on SEDAR at www.sedar.com.

Oil and Gas Advisories

Meaning of Boe

The term "boe" or barrels of oil equivalent may be misleading, particularly if used in isolation. A boe conversion ratio of six thousand cubic feet of natural gas to one barrel of oil equivalent (6 Mcf: 1 bbl) is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Additionally, given that the value ratio based on the current price of crude oil, as compared to natural gas, is significantly different from the energy equivalency of 6:1; utilizing a conversion ratio of 6:1 may be misleading as an indication of value.

Reserves Estimates

The estimates of reserves and future net revenue for individual properties may not reflect the same confidence level as estimates of reserves and future net revenue for all properties, due to the effects of aggregation.

Non-GAAP Measurements

The Company utilizes certain measurements that do not have a standardized meaning or definition as prescribed by International Financial Reporting Standards ("IFRS") and therefore may not be comparable with the calculation of similar measures by other entities, including but not limited to operating netback, cash flow and working capital. Readers are referred to advisories and further discussion on non-GAAP measurements contained in the Company's continuous disclosure documents. Operating netback is a non-GAAP measure calculated as the average per boe of the Company's oil and gas sales, less royalties and operating costs.

Neither the TSX Venture Exchange nor its Regulation Service Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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